

**Airport District No. 1
of Jefferson Davis Parish**

Jennings, Louisiana

APRIL 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11-9-05

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Table of Contents

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1
Basic Financial Statements		
Statement of Net Assets.....	A	2
Statement of Revenues, Expenses, and Changes in Fund Net Assets.....	B	3
Statement of Cash Flows	C	4
Notes to Financial Statements		5-13
Other Report Required by <i>Government</i> <i>Auditing Standards</i>		14
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in <i>Accordance with Government Auditing Standards</i>		15-17
Summary of Schedule of Prior Audit Findings.....		18
Summary of Schedule of Current Audit Findings.....		19



INDEPENDENT AUDITORS' REPORT

To the Airport Commission of Airport District No. 1
of Jefferson Davis Parish
Jennings, Louisiana

I have audited the accompanying financial statements of the business-type activities of the Airport District No. 1 of Jefferson Davis Parish, Jennings, Louisiana, as of and for the year ended April 30, 2005, as listed in the table of contents. These financial statements are the responsibility of the Airport District No. 1 of Jefferson Davis Parish's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Airport District No. 1 of Jefferson Davis Parish as of April 30, 2005, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Airport District No. 1 of Jefferson Davis Parish has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 26, 2005 on my consideration of the Airport District No. 1 of Jefferson Davis Parish's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Lenora B. Tuttle, CPA

Jennings, Louisiana
October 26, 2005

510 N. CUTTING AVE
P.O. DRAWER 918
JENNINGS, LA 70546

PHONE: 337.278.5144
FAX: 337.824.8852
EMAIL: ltuttle99@AOL.COM

MEMBER:
American Institute of CPA's
Society of Louisiana CPA's

Airport District No. 1 of Jefferson Davis Parish
Jennings, Louisiana
Proprietary Fund - Enterprise Fund

STATEMENT OF NET ASSETS
As of April 30, 2005

ASSETS

Current assets:

Cash and cash equivalents	\$ 49,748
Investments - certificates of deposit	426,442
Accounts receivable, net of allowance for doubtful accounts	3,000
Due from other governments	24,744
Prepaid insurance	14,277
Total current assets	<u>\$ 518,211</u>

Non-Current assets

Utility deposits	\$ 73
Capital assets - net of accumulated depreciation	5,114,609
Total noncurrent assets	<u>5,114,682</u>

Total Assets

\$ 5,632,893

LIABILITIES

Current liabilities:

Accounts payable	\$ 3,487
Prepaid revenue	6,160
Total liabilities	<u>\$ 9,647</u>

NET ASSETS

Net book value of capital assets	\$ 5,114,609
Less: current and non-current debt	<u>0</u>
Invested in capital assets	\$ 5,114,609
Unrestricted	508,637

TOTAL NET ASSETS

\$ 5,623,246

EXHIBIT A

The accompanying notes are an integral part of the statement

Airport District No. 1 of Jefferson Davis Parish
Jennings, Louisiana
Proprietary Fund - Enterprise Fund

STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
For the Year Ended April 30, 2005

OPERATING REVENUES

Property rental	\$ 280,722
Property rental (in-kind)	20,940
Gallonage rental	14,885
Miscellaneous revenue	1,294
Total Operating Revenues	<u>\$ 317,841</u>

OPERATING EXPENSES

Personal services	
Salaries	\$ 2,100
Retirement	321
Advertising, dues & subscriptions	
Dues & subscriptions	3,429
Advertising & printing	3,080
Utilities	
Utilities	10,727
Telephone	2,963
Materials, supplies and repairs	
Repairs - airport	23,086
Repairs - equipment	1,958
Supplies	1,542
Other operating expenses	
Airport contract management (includes in-kind \$20,940)	67,358
Professional fees	14,850
Insurance	14,734
Travel	99
Depreciation	140,858
Total Operating Expenses	<u>\$ 287,105</u>
Operating Income (Loss)	<u>\$ 30,736</u>

NON-OPERATING REVENUES (EXPENSES)

Interest income	\$ 9,344
Seismic income	7,821
Total Non-Operating Revenues (Expenses)	<u>\$ 17,165</u>

INCOME (LOSS) BEFORE CONTRIBUTIONS **\$ 47,901**

CAPITAL CONTRIBUTIONS **396,618**

NET INCREASE IN NET ASSETS **\$ 444,519**

NET ASSETS - BEGINNING OF YEAR **5,178,727**

NET ASSETS - END OF YEAR **\$ 5,623,246**

EXHIBIT B

The accompanying notes are an integral part of the statement

Airport District No. 1 of Jefferson Davis Parish
Jennings, Louisiana
Proprietary Fund - Enterprise Fund

STATEMENT OF CASH FLOWS
For the Year Ended April 30, 2005

Cash Flows From Operating Activities

Receipts from customers and users	\$ 293,675
Payments to suppliers of goods and services	(245,453)
Payments to employees for services	(2,421)
Other receipts	9,115
Net Cash Provided by Operating Activities	<u>\$ 54,916</u>

Cash Flows From Capital and Related Financing Activities

Acquisition and construction of capital assets	\$ (839,606)
Contributed capital- capital grants	396,618
Net Cash Provided (used) by Capital and Related Financing Activities	<u>\$ (442,988)</u>

Cash Flows From Investing Activities

Proceeds from redemption of investments	\$ 381,874
Interest on investments	9,344
Net Cash Provided (used) by Investing Activities	<u>\$ 391,218</u>

Net Increase in Cash and Cash Equivalents	\$ 3,146
Cash and Cash Equivalents, Beginning of Year	<u>46,602</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 49,748</u></u>

Reconciliation of Operating Income to Net Cash Provided (used) by Operating Activities

Operating income	\$ 38,557
Depreciation Expense	140,858
(Increase) decrease in accounts receivable	(1,075)
(Increase) decrease in due from other governments	62,714
(Increase) decrease in prepaid insurance	(892)
Increase (decrease) in accounts payable	(261)
Increase (decrease) in contracts payable	(184,128)
Increase (decrease) in prepaid revenue	(857)
Net Cash Provided by Operating Activities	<u><u>\$ 54,916</u></u>

EXHIBIT C

The accompanying notes are an integral part of the statement

Notes To Financial Statements

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Notes to Financial Statements

1. Organization and Significant Accounting Policies

The Airport District No. 1 of Jefferson Davis Parish (District) was created by the Jefferson Davis Parish Police Jury pursuant to (LSA-RS 2.311) through the passage of Parish Ordinance 483 on March 7, 1963. The District has the power and authority, within its boundaries, to acquire, construct, maintain, and operate airports and airport facilities, including both movable and immovable property. The District is a subdivision of the State of Louisiana and may issue bonds and levy taxes in accordance with Article 6, Section 30. The District may also by resolution or ordinance, establish, maintain, and collect proper and reasonable rates, charges, rents, or other fees for the use of the facilities of the airport.

Under the provision of Parish Ordinance 635, dated May 10, 1978, the District shall be governed and controlled by a board of commissioners composed of five members. Pursuant to Ordinance 635 these commissioners are appointed by the Jefferson Davis Police Jury for terms of two years from the date they assume their duties and shall serve without compensation.

Basis of Presentation

The District has adopted the provisions of GASB Statement No. 34 and GASB Statement No. 37. These statements established standards for external financial reporting for all state and governmental entities, which includes a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. The District has no debt attributable to its capital assets.
- Restricted net assets: This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation. The District has no restricted net assets.
- Unrestricted net assets: This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Reporting Entity

As the governmental authority of the parish, for reporting purposes, the Jefferson Davis Parish Policy Jury is the financial reporting entity for Jefferson Davis Parish. The financial reporting entity consists of (a) the primary government (police jury). (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Notes to Financial Statements

Reporting Entity (continued)

GASB Statement No. 14, *The Reporting Entity*, as amended, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. They include the following:

- (1) Appointing a voting majority of an organization's governing body, and (a) the ability of the police jury to impose its will on that organization and/or (b) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- (2) Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- (3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints a voting majority of the board and has the ability to impose its will on the organization, the District was determined to be a component unit of the Jefferson Davis Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Fund Accounting

The accounts of the District are organized on the basis of an enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of the providing goods and services to the general public on a continuing basis be financed primarily through user charges or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Budgetary Practices

The District is not required and did not adopt a budget for the period covered by the accompanying financial statements.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposit, money market accounts, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Notes to Financial Statements

Prepaid Expense

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Fixed Assets

All fixed assets are valued at historical cost or if contributed property, at their estimated fair value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Fixed assets used in the proprietary fund operations are included on the statement of net assets net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the proprietary fund operations is charged as an expense against operations. Depreciation has been calculated on each class of depreciable property using the straight-line method over the estimated useful lives of the assets as follows:

Runways and Improvements	10 – 50 years
Buildings and Hangers	10 – 40 years
Improvements other than Buildings and Hangers	10 – 20 years
Furniture and Equipment	5 – 10 years

Fund Equity

Contributed Capital: Grants, entitlements, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

Reserves

Reserves represent those portions of fund equity legally segregated for a specific future use.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Notes to Financial Statements

Capitalization of Interest

FAS-34, Capitalization of interest Costs, requires that interest expenditures incurred during construction of assets be capitalized. FAS-62, Capitalization of Interest Cost in Situations Involving Certain Tax- Exempt Borrowings and Certain Gifts and Grants) concludes that constructed assets finance with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisitions of the asset or used to service the related debt) should included capitalized interest only to the extent that interest cost exceeds interest earned on related interest-bearing investments acquired with proceeds of the tax related tax-exempt borrowing. Net interest cost capitalized totaled \$-0- during fiscal year ending in 2005.

Compensated Absences

The District has no formal vacation and sick leave policy adopted since it has only one part-time employee and provides for no compensated absences.

2. Cash and Cash Equivalents

As of April 30, 2005, the District has cash and cash equivalents (book balance) totaling \$476,190 as follows:

Demand deposits	\$ 49,748
Interest bearing demand deposits	<u>426,442</u>
Total book balances	<u>\$ 476,190</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank, The market value of the pledged securities plus the federal deposit insurance must at all time equal the amount of deposit with the fiscal agent.

Bank Balance	<u>\$ 476,479</u>
Insured (FDIC)	104,660
Uninsured, Uncollateralized:	
Pledged securities held by pledging	
Bank's agent in Bank's name	<u>371,819</u>
Total bank balances	<u>\$ 476,479</u>

Even though this amount is considered uncollateralized under GAAP, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Notes to Financial Statements

3. Investments

The District invests only in certificates of deposit. Investments are categorized into the following three categories of credit risk in accordance with GASB Statement No. 3 to give an indication of the level of risk assumed by the Commission.

Category 1 – includes investments that are insured or registered, or securities held by the government or its agent in the District's name.

Category 2 – includes investments that are uninsured and unregistered, with securities held by the counterparty's department or agent in the District's name.

Category 3 – includes investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the District's name.

At year end, the District's investment balances were as follows:

<u>Investment Type</u>	<u>Category 1</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Certificates of Deposit	<u>\$ 426,442</u>	<u>\$ 426,442</u>	<u>\$ 426,442</u>
Total Investments	<u>\$ 426,442</u>	<u>\$ 426,442</u>	<u>\$ 426,442</u>

4. Accounts Receivables

The following is a summary of receivables at year end:

Customer property rentals	\$ 3,525
Due from other governments	<u>24,743</u>
Gross Receivables	\$ 28,268
Less: Allowance for doubtful accounts	<u>(575)</u>
Net accounts receivable	<u>\$ 27,743</u>

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on an assessment of the current status of individual accounts. Balances outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Notes to Financial Statements

5. Fixed Assets

A summary of proprietary property, plant and equipment is as follows:

	Balance 05/01/04	Additions	Adjustments/ Retirements	Balance 04/30/05
Runway and Improvements	\$ 4,023,638	\$ -	\$ -	\$ 4,023,638
Buildings and Hangers	932,733	747,278	-	1,680,011
Other Improvements	179,781	42,777	-	222,558
Furniture & Equipment	101,770	21,390	-	123,160
Total Depreciable Assets	<u>\$ 5,237,922</u>	<u>\$ 811,445</u>	<u>-</u>	<u>\$ 6,049,367</u>
Less Accumulated Depreciation				<u>(2,532,248)</u>
Net Depreciable Assets				\$ 3,517,119
Construction in Progress	\$ 575,779	\$ 795,292	(\$ 767,131)	603,940
Land	<u>993,549</u>	<u>-</u>	<u>-</u>	<u>993,549</u>
Net Property Plant & Equipment				<u>\$ 5,114,609</u>

6. Commitments

As of April 30, 2005, the District had one construction contract project in progress totaling \$603,940 to H&S Construction for the rehabilitation of taxiways. Remaining construction contract commitments for this project was \$49,823 as of April 30, 2005.

7. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. As of April 30, 2005, the District carries commercial insurance for general and aviation liability and property damage. During the construction phase, contractor nonperformance and liability risk was protected by requiring each contractor to post a performance bond and a certificate of liability insurance coverage for approved contracts. In addition, the District carried builders' risk coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8. Litigation and Claims

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Airport Commission is not presently involved in any litigation as defendant.

The District is involved in a matter concerning previously leased property in which the DEQ has not approved the environmental site report. The responsible party has been notified and in the opinion of legal council, the issue will be resolved and the District will have no exposure.

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Notes to Financial Statements

9. Contingencies

Grant Disallowances. The District participates in a number of Federal Financial Assistance Programs. These programs are subject to further financial and compliance audits by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, management feels such amounts, if any, to be immaterial to the financial statements.

10. Non-Cancelable Operating Leases

The District had numerous real estate properties leased to various commercial enterprises. As of April 30, 2005 these properties are reported in the accompanying financial statements at a cost of \$ 1,743,998 with associated accumulated depreciation of \$777,972.

As of April 30, 2005 future minimum rentals of non-cancelable operating leases of such property in aggregate are as follows:

Fiscal Year	
2006	\$ 93,824
2007	79,832
2008	72,317
2009	44,109
2010 to 2015	<u>11,281</u>
Total	<u>\$ 301,363</u>

11. Economic Dependence

The District has three commercial customers that each account for more than 10% individually of total operating revenues.

12. Related Party Transactions

The District's airport is managed by a commercial agricultural aviation service company, Riceland Aviation, Inc., under a five year contract which began on February 1, 2005. Under the contract, Riceland is paid \$8,500 per month (\$102,000 annually) and allowed to occupy certain hangars, offices, and other physical structures for the operation of an aerial seed planting, crop dusting, fertilizer business, and retail sale of aviation fuel in return for providing airport management services for the District. The in-kind rental value of the occupied facilities, estimated to be \$20,940, has been recorded in the accompanying financial statements as operating revenue and as an expense for the year ending April 30, 2005.

Two members of the Board of Commissioners leases an airplane hanger from the District at fair market value. These two leases provided \$1,560 in revenues to the District during the fiscal year ending April 30, 2005.

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Notes to Financial Statements

The District awarded two construction contracts in the prior period ending April 30, 2004 with KAS Construction, LLC., a related party to the designated airport manager, totaling \$371,537. During the fiscal year ended April 30, 2005, the District disbursed \$244,187 in payments of which \$144,042 were for a prior years contract completed in the current fiscal year. As of April 30, 2005, the financial statements included \$-0- in construction and retainage payable. As of April 30, 2005, KAS Construction, LLC's remaining construction contract commitments amounted to \$-0-. There were no construction contracts awarded during the year ending April 30, 2005.

An ex-member of the Board of Commissioners was a minority shareholder with the District's primary bank depository. The bank is a rental tenant, under a ten year non-cancelable renewable lease commencing October 1, 1998. This lease provided \$30,000, less than ten percent of the revenues to the District during the fiscal year. As of April 30, 2005, the financial statement included \$2,500 in prepaid revenues from the bank. As of April 30, 2005, the District deposits maintained at this bank and included in the financial statements were \$45,089 in cash and cash equivalents and \$426,442 in certificates of deposits. The ex-member of the Board terminated his board membership in December 2004.

13. Leases and Commitments

On February 1, 2005, the District entered into a lease operating agreement with Riceland Aviation, Inc. The term of the lease is for five years expiring on January 31, 2010. Under the contract, Riceland is paid \$8,500 per month (\$102,000 annually) and allowed to occupy certain facilities and use certain equipment and retail sale of aviation fuel in return for providing maintenance and operation of Jennings Airport. Riceland further agreed to pay the District \$.05 per gallon of aviation fuel sold by Riceland on airport property.

14. Changes in Contributed Capital

The following is a summary of changes in contributed capital:

	<u>Donated Assets</u>	<u>Capital Grants</u>
Balance, beginning of year	\$ 751,325	\$ 3,811,489
Additions:		
Federal Aviation Administration		376,787
Dept of Transportation and Development		19,831
Balance, end of year	<u>\$ 751,325</u>	<u>\$ 4,208,107</u>

15. Subsequent Events

During the April 26, 2005 meeting the board of commissioners accepted a bid in the amount of \$427,000 by Carlton Construction Co., Inc. for the construction of an additional hanger.

During a recent hurricane (Rita) the District incurred approximately \$15,000 of damages to facilities. Although the District has not received any insurance proceeds from the claim as of the report date, management believes there is adequate insurance coverage and any amounts not covered will be immaterial to the financial statements.

**Other Reports Required by
*Governmental Auditing Standards***

*Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With Governmental Auditing Standards*



**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With Governmental Auditing Standards**

**Board of Commissioners
Airport District No. 1 of Jefferson Davis Parish
Jennings, Louisiana**

I have audited the financial statements of the business-type activities of the Airport District No. 1 of Jefferson Davis Parish, Jennings, Louisiana, as of and for the year ended April 30, 2005, and have issued my report thereon dated October 26, 2005. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Airport District No. 1 of Jefferson Davis Parish's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a reportable condition on which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

510 N. CUTTING AVE
P.O. DRAWER 918
JENNINGS, LA 70546

PHONE: 337.278.5144
FAX: 337.824.8852
EMAIL: ltuttle99@AOL.COM

MEMBER:
American Institute of CPA's
Society of Louisiana CPA's



Board of Commissioners
Airport District No. 1 of Jefferson Davis Parish
Page 2 of 2

This report is intended solely for the information and use of management and the Board of Commissioners, state awarding agencies, and the Legislative Auditor's office of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is in fact a public document.

Lenora B. Tuttle, CPA

Jennings, Louisiana
October 26, 2005

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Management's Status of Prior Year Audit findings

<u>Ref No</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action / Partial Corrective Action Taken</u>
2004-1	2004	Deficiency in Internal Controls Concerning financial reporting Review of controls concerning financial reporting disclosed lack of proper controls and procedures.	YES	N/A

Airport District No. 1 of Jefferson Davis Parish
April 30, 2005

Management's Status of Current Year Audit findings

<u>Ref No</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action / Partial Corrective Action Taken</u>
No Current Year Findings				